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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

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4 SECURITIES AND EXCHANGE
5 COMMISSION,

6 Plaintiff,

7 v.

13 CV 1735 (GBD)

8 CARRILLO HUETTEL LLP, et al,

9 Defendants.
10 -----x

New York, N.Y.

May 4, 2016

10:00 a.m.

11 Before:

12 HON. GEORGE B. DANIELS,

13 District Judge

14 APPEARANCES

15 SECURITIES AND EXCHANGE COMMISSION

Attorneys for Plaintiff

16 KATHERINE BROMBERG, ESQ.

17 PECKAR & ABRAMSON, P.C.

Attorneys for Defendant Carillo

18 DORIS SHORT, ESQ.

19 GAGE, SPENCER & FLEMING, LLP

Attorneys for Defendant Huettel

20 WILLIAM B. FLEMING, ESQ.
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1 (Case called)

2 (In open court)

3 THE DEPUTY CLERK: Securities and Exchange Commission
4 v. Carillo Huettel LLP, et al, docket number 13 CV 1735.
5 Counsel, please state your names for the record.

6 MS. BROMBERG: Katherine Bromberg on behalf of the
7 Securities and Exchange Commission.

8 MS. SHORT: Doris Short on behalf of Luis Carillo.

9 MR. FLEMING: William Fleming on behalf of Wade
10 Huettel.

11 THE COURT: Let me start with the SEC. What's the
12 status? Where are we going?

13 MS. BROMBERG: The Commission would like to inform the
14 Court that we have settlements in principle with some of the
15 defendants and we're waiting for Commission approval on those
16 settlements. Once we obtain that approval we're then going to
17 move for default and summary judgment and default for the
18 remaining defendants who are no longer in the case or have
19 otherwise consented to relief.

20 THE COURT: So what's your timetable?

21 MS. BROMBERG: It's a little unpredictable with the
22 Commission, but we hope to do it as soon as possible to get the
23 Commission approval and await the process.

24 THE COURT: What's a reasonable amount of time for
25 that to happen?

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1 MS. BROMBERG: Three to six months.

2 THE COURT: I'm not sure "reasonable" applies to that
3 estimate.

4 MS. BROMBERG: For sure. It just tends to be --

5 THE COURT: Have you made such an application yet?

6 MS. BROMBERG: We're in the process of making it.

7 THE COURT: It's not on anybody's desk at the SEC?

8 MS. BROMBERG: No, not yet.

9 THE COURT: When did you intend to do that?

10 MS. BROMBERG: Imminently.

11 THE COURT: What I'd like to do is I'd like to, if
12 possible, I'd like to have this, if there's nothing else to do
13 on this case other than that, I'd like to see if we could close
14 this case out by September.

15 MS. BROMBERG: Well, we will absolutely do our best
16 and keep the Court informed and just see if we can move it
17 along.

18 THE COURT: You need approval from Washington?

19 MS. BROMBERG: Yes.

20 THE COURT: All right. You tell them that I'd like to
21 see this closed out by September.

22 MS. BROMBERG: Yes, we will do that.

23 I also just wanted to update the Court on behalf of
24 counsel for defendant David Chase -- we discussed this -- he
25 asked us to let you know that he didn't have any issues for the

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1 Court's disposition other than the proposed settlement.

2 THE COURT: This is what I'm going to do. I'm going
3 to be prepared to close this case in September, I hope, or
4 sometime before that. So get your paperwork together and get
5 it down to the SEC and let's get this moving and then prepare
6 your papers also with regard to default. There's no reason why
7 you should be waiting on that.

8 MS. BROMBERG: Okay, will do.

9 THE COURT: Move for default and you should prepare
10 those papers and you should get those papers to me. I don't
11 see any reason why you can't get those papers to me within the
12 next 60 days.

13 MS. BROMBERG: Yes, we will do that, your Honor.

14 THE COURT: So that on that schedule I will be
15 prepared to both enter default if it's appropriate and to
16 approve settlement and close this out. What I'd like to do is
17 I'll set it -- I'm going to set a tentative date of
18 September 14th for the next conference at 9:45, but hopefully
19 we won't have a need to meet at that point in time, that I can
20 enter default judgments and approvals and so order a stipulated
21 settlement by sometime around that time or earlier. So let's
22 see if we can go ahead and get this case closed out. So I'll
23 set it down for September 14 at 10:00 and hopefully we can go
24 ahead and resolve all the outstanding cases by that time.

25 Is there anything else that we need to address?

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1 MS. BROMBERG: No. Thank you, your Honor.

2 THE COURT: Anything else from defendants?

3 MR. FLEMING: Nothing for Mr. Huettel.

4 MS. SHORT: The only thing that we wish to address for
5 Mr. Carillo is that we're considering asking to be released as
6 counsel. We haven't heard from our client in some time and we
7 are certainly behind in payment, so that may be the next step
8 for us.

9 THE COURT: I assume that's one of the default cases
10 as opposed to one of the settlement cases?

11 MS. SHORT: Yes, your Honor, except we, I mean, we
12 submitted a letter essentially stating that we agreed to the
13 injunctive relief the Commission was seeking but not
14 necessarily damages, so if that were to go down that route we
15 would very much like to be heard on that.

16 THE COURT: What I'd like to do is I'd like to see a
17 letter to your client indicating you made that application and
18 indicating to the client that the SEC intends to move for
19 default and seek whatever relief they're attempting to seek.
20 You know the nature of the relief, you can indicate it to them,
21 and unless there's new counsel that steps in in your stead and
22 you tell me you're going to continue, then your client will be
23 aware that I will probably relieve you and enter default for
24 the client. Once I see that letter I'll know your client is on
25 notice and I'll think it's appropriate for me to move forward.

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1 MS. SHORT: Thank you, your Honor.

2 THE COURT: All right. I will see you in September
3 and hopefully I'll hear from you before then and if we need to
4 meet before then and we can accelerate the schedule let me know
5 and we'll get together before September if we need to do
6 anything in Court and not just papers.

7 MR. FLEMING: One clarification. I think you said
8 9:45 and also 10:00.

9 THE COURT: I meant 10:00.

10 MR. FLEMING: Okay, thank you.

11 THE COURT: I'll see you in September unless I hear
12 from you before.

13 (Adjourned)

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